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C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 001794

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DEPARTMENT FOR EUR/NCE: DEPARTMENT PLEASE PASS TO NSC

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TAGS: PGOV KDEM HU

SUBJECT: SMALL SACRIFICES: THE PLIGHT OF THE SMALL PARTIES

... AND THE DILEMMA OF THE LARGE ONES

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Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

¶11. (C) Summary: As the MSzP and FIDESZ remained locked in their long-standing competition, the junior coalition partner SzDSz and independent opposition party MDF are searching for traction as all parties begin the long road to the 2010 elections. The SzDSz continues to lose altitude, and the MDF is very cautiously signaling its openness to cooperation with FIDESZ. The parties will continue to make careful calculations regarding the risks of alienating their traditional supporters as they compete for centrist voters.
End Summary.

REQUIEM FOR A HEAVYWEIGHT?

¶12. (C) Its days as a major party an increasingly distant memory, the SzDSz continues to wrestle with what MDF leader Ibolya David terms "schizophrenia." She sees the SzDSz struggling to assert its independence but reluctant to leave the coalition, unable to "build popularity and retain credibility." She shares the assessment of many insiders, who see the SzDSz as deeply divided between party president Janos Koka and Environment Minister Gabor Fodor, a former FIDESZ member whom she referred to as "Viktor Fodor" in a Freudian slip.

MDF: ON A PEDESTAL (AND A PLATEAU

¶13. (C) Though her own party continues to poll above the five percent threshold required for representation in Parliament, Dr. David still has hard work ahead to reach her target of 10 - 15 percent in the 2010 elections. She believes this will allow her to make) or break) any coalition government.

¶14. (C) Despite long-standing bad blood with Viktor Orban, David has cautiously opened the door to cooperation with FIDESZ in the past weeks. She has publicly expressed support for Orban's condemnation of violence during the recent October 23 celebrations, and has denounced an ongoing investigation into his finances by the Tax Authority as politically-motivated. These are small steps, but even these statements would have been difficult to imagine months ago. Even so, she remains extremely wary, citing FIDESZ's inability to "control its own people." At a private meeting with Ambassador Foley on October 30, David ruled out any pre-election coalition, explaining that FIDESZ could "expect some coordination behind the curtain but no open embrace." After an electoral victory in 2010, however, she believes that FIDESZ "might need a coalition partner to blame" once in power.

¶15. (C) She also denies any consideration of a coalition with the MSzP, which officials in the Prime Minister's Office had

raised as a possibility. David commented that both the MDF and the SzDSz are largely used as pawns by the larger parties, minimizing talk around town of an SzDSz move from the coalition into opposition and an MSzP overture to replace them with the MDF.

THE SOUGHT-AFTER CENTER

¶6. (C) The MDF and SzDSz are also likely to compete for centrist voters in the run-up to 2010. Current polling indicates a strong lead (typically two-to-one) for FIDESZ among decided voters. But a large pool of uncommitted voters (sufficient to determine the results) remains. David believes her consistent and principled stand will attract those disillusioned with the MSzP but not prepared to support FIDESZ, and has positioned herself between the two. The MDF has made steady progress, attracting "several hundred thousand" supporters in the past year according to her estimation, but has been unable to make a dramatic breakthrough. For its part, the SzDSz has been losing ground.

¶7. (C) The large parties are also looking toward the center. As the MSzP hopes to hold the crucial swing voters it attracted in 2006, FIDESZ will have to balance its efforts to attract moderates while not alienating the party's right wing. David believes a "wiser Orban" has tacked toward the center, and observers across the political spectrum agree that "only the moderate right can defeat the extreme right." However, she still believes FIDESZ is reluctant to risk fracturing Orban's vision of a united right wing by alienating the far end of the spectrum.

¶8. (C) Former FIDESZ Cabinet Minister Istvan Stumpf agrees, telling representatives from the Diplomatic Corps October 30 that the far right constitutes ten percent of the Hungarian electorate. He believes that the far-right Jobbik party,

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which received less than two percent of the vote in 2006, will surpass five percent and thus gain a foothold in Parliament in 2010. Their votes, he concludes, will come at FIDESZ's expense. Although he underscores that Jobbik is still "tiny," political scientist Zoltan Kiszelly also believes that they will attract votes from FIDESZ. He believes some in the FIDESZ leadership are afraid "the iceberg will melt under their feet" as they try to move toward the center.

MODERATION IN ALL THINGS?

¶9. (C) Comment: As David acknowledged, the opening moves of the 2010 election are already underway. FIDESZ is positioning itself toward the center, and she is both recognizing that and reacting to it as the MDF works to make itself essential to any coalition government. The early indicators for the SzDSz are grave, and both small parties could be hurt if any of the current talk of "new parties" comes to fruition. The MSzP and FIDESZ each have a much larger voter base on which to rely, but their very strength magnifies the importance of the uncommitted center. As a result, both of the larger parties will calculate carefully before they risk alienating their traditional supporters by moving "too far" to the center. End Comment.

FOLEY